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Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

Financing of the United Nations Observer Mission in Angola

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financial performance report of the United Nations Observer Mission in Angola (MONUA) for the period from 1 July 1997 to 30 June 1998 (A/53/908) and his report on the proposed budget for the 12-month period from 1 July 1999 to 30 June 2000 for the liquidation of MONUA (A/53/937). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

Financial performance report for the period from 1 July 1997 to 30 June 1998

2. As indicated in the report of the Secretary-General on the financial performance of MONUA (A/53/908, para. 12), from the total appropriation of $175 million gross ($170,741,200 net) for the operation of MONUA for the period from 1 July 1997 to 30 June 1998, expenditures totalled $170,428,100 gross ($166,466,100 net), resulting in an encumbered balance of $4,571,900 gross ($4,275,100 net).

3. The unencumbered balance of $4,571,900 gross ($4,275,100 net) resulted from reduced requirements as follows: military personnel costs ($83,000), civilian personnel costs ($4,368,400), operational costs ($2,247,300) and staff assessment ($296,800); these were offset by additional requirements amounting to $2,423,600 as follows: other programmes ($19,300) and United Nations Logistics Base at Brindisi ($2,404,300) (A/53/908, annex II).

4. The Advisory Committee notes that a total amount of $3,525,300 represents 1996/97 expenditures recorded in the 1997/98 financial period accounts as follows: mission subsistence allowance for military observers ($82,500), rations for military contingents ($2,490,000), daily allowance for military contingents ($60,300), commercial

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communications ($875,800), mine-clearing programmes ($9,400) and assistance for disarmament and demobilization ($7,300) (A/53/908, annex II).

5. Upon inquiry, the Advisory Committee was informed that the recording of 1996/97 expenditures in the 1997/98 financial period accounts, in particular those of rations and daily allowance was because of the late submission of invoices and payment requests. The Advisory Committee considers that the over-all monitoring of expenditures for this Mission has been weak. In this connection, the Advisory Committee recalls the comments of the Board of Auditors in its report on United Nations peacekeeping operations for the period ending 30 June 1998 (A/53/5, vol. II, paras 105 and 109) and those of the Office of Internal Oversight Services on the audits of the procurement process at the United Nations Angola Verification Mission (A/52/881, paras. 32–37). The Advisory Committee trusts that lessons learned from this experience will lead to improvements in other Missions.

6. In paragraph 17 of the financial performance report of MONUA, the Secretary-General indicated that the action that the General Assembly may wish to take in connection with the financing of the Mission is to decide on the treatment of the unencumbered balance of $4,571,900 gross ($4,275,100 net) for the period from 1 July 1997 to 30 June 1998. The Advisory Committee recommends that this balance be taken into account in deciding upon the need for an assessment with regard to requirements for the period from 1 July 1999 to 30 June 2000 (see para 15 below).

Cost estimates for the period from 1 July 1999 to 30 June 2000

7. By its resolutions 52/8 C of 26 June 1998 and 53/211 of 18 December 1998, the General Assembly appropriated a total amount of $133,099,080 gross ($128,876,680 net), inclusive of $2,299,080 for the support account for peacekeeping operations, for the maintenance of MONUA for the period from 1 July 1998 to 30 June 1999.

8. By its resolution 1229 (1999) of 26 February 1999, the Security Council took note of the fact that the mandate of MONUA expired as of that date and endorsed the proposals contained in the report of the Secretary-General to the Council dated 24 February 1999 (S/1999/202) regarding the technical liquidation of MONUA.

9. The Advisory Committee was informed that, pursuant to Security Council resolution 1229 (1999), the Mission's operational plan had been revised in early March 1999 to reflect the drawdown of military contingents, the repatriation of civilian personnel and the concomitant adjustments in operational requirements.

10. The Advisory Committee was also informed that, from the total appropriation of $133.1 million gross for the 1998/99 financial period, estimated expenditures of MONUA for the period from 1 July 1998 to 31 March 1999 amounted to $80.3 million gross, leaving a balance of $52.8 million. The Advisory Committee was further informed that the balance would be required to meet the Mission's expenses for the remainder of the current financial period.

11. In this connection, the Advisory Committee was informed that a review of the status of reimbursement to troop-contributing countries for contingent-owned equipment provided by them to the United Nations Angola Verification Mission (UNAVEM) and MONUA since their inception, has indicated that the retroactive implementation of the new contingent-owned equipment reimbursement procedures in the Mission has given rise to additional estimated requirements in the order of $35 million and that, as a result, it will be necessary to accommodate this unbudgeted additional resource requirement within the original resources appropriated by the General Assembly for MONUA for the 1998/99 financial period. The Advisory Committee recalls and reiterates paragraph 19 of its report A/53/944

on the implementation of the reformed procedures for determining reimbursement to Member States for contingent-owned equipment.

12. The Advisory Committee was also informed that a full report on the utilization of the appropriation provided by the General Assembly to MONUA for the 1998/99 financial period will be submitted to the General Assembly through the Advisory Committee at its fifty-fourth session in the context of MONUA's financial performance report for that period. The Committee will, *inter alia,* revert to the question of the estimate for contingent-owned equipment at that time.

13. As indicated in the summary of the report of the Secretary-General on the liquidation of MONUA (A/53/937), the cost estimates for the 12-month period from 1 July 1999 to 30 June 2000 amount to $7 million gross ($6,642,300 net).

14. The Advisory Committee notes from paragraph 9 of the above-mentioned report that estimates provide for the deployment of two infantry companies for the period from 1 July to 31 August 1999 for the protection of United Nations personnel and property and of a small medical unit. It also provides for administrative and logistical personnel for the period from 1 July to 31 October 1999 in the mission area to perform liquidation activities for MONUA and its predecessors. The proposed budget also provides for the deployment of six civilian staff at Headquarters for the period from 1 November 1999 to 31 January 2000 to complete residual liquidation activities.

15. In paragraph 25 of the same report, the Secretary-General indicated the action which the General Assembly may wish to take in connection with the financing of MONUA. The Advisory Committee recommends that the General Assembly appropriate the amount of $7 million gross ($6,642,300 net) for the 12-month period from 1 July 1999 to 30 June 2000. The Advisory Committee also recommends that such action as the General Assembly may take on assessment should take into account the unencumbered balance of $4,571,900 gross ($4,275,100 net) mentioned in the financial performance report of MONUA (A/53/908, para. 17) and the unencumbered balance of $149,720 gross ($49,625 net) in respect of UNAVEM and UNAVEM II mentioned in the report of the Secretary-General on the liquidation of MONUA (A/53/937, para. 25).